

Message Text

UNCLASSIFIED

PAGE 01 MBABAN 01762 221324Z
ACTION OPIC-06

INFO OCT-01 AF-10 ISO-00 EB-08 /025 W
-----077631 221413Z /64
R 221250Z MAY 78
FM AMEMBASSY MBABANE
TO SECSTATE WASHDC 4818

UNCLAS MBABANE 1762

E.O. 11652: N/A
TAGS: EINV, WZ
SUBJECT: POLITICAL RISK CONVERTIBILITY INSURANCE

REF: A) STATE A-1699, B) 77 MBABANE 948

1. THERE HAVE BEEN NO SIGNIFICANT CHANGES IN GOS REGULATIONS
OR PRACTICES EFFECTING CURRENCY TRANSFERS SINCE POST'S PREVIOUS
REPORT IN APRIL 1977 (REF B).

2. CONVERSION PERIOD IN SWAZILAND WILL GENERALLY BE
30 DAYS AND IS A PRO-FORMA EXERCISE SO LONG AS
STANDARD REGULATIONS OUTLINED IN REFTEL B ARE FOLLOWED.
THERE IS NO DISCREPANCY BETWEEN STATED POLICY AND IMPLEMENTATION.

3. BECAUSE SWAZILAND IS A MEMBER OF THE RAND MONETARY
AREA (ALONG WITH SOUTH AFRICA AND LESOTHO), IT HAS
THE UNUSUAL SITUATION OF USING THE SOUTH AFRICAN RAND
BOTH AS A FOREIGN CURRENCY RESERVE HOLDING AND AS LEGAL
TENDER. THE GOS ALSO HAS ITS OWN LEGAL TENDER,
THE EMALANGENI WHICH IS KEPT ON PAR WITH THE RAND
AND IS INTERCHANGEABLE. THUS, WHEN SWAZILAND
IMPORTS ITS POL PRODUCTS, ALL OF WHICH COME FROM
SOUTH AFRICA, THE LOCAL WHOLESALERS ARE ABLE
TO PAY FOR THE IMPORTS WITH THE EMALANGENI.
HOWEVER, THAT AMOUNT WILL THEN BE DEDUCTED FROM
SWAZILAND'S FOREIGN CURRENCY RESERVE RAND HOLDINGS.
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THEREFORE, THE IMPACT ON CURRENCY CONVERSION
APPLICATIONS OF COUNTRIES OUTSIDE THE
RAND MONETARY AREA SHOULD BE MINIMAL IN THE EVENT
OF INCREASES IN THE FOREIGN EXCHANGE COSTS OF ENERGY.
PERLOW

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, FOREIGN EXCHANGE HOLDINGS, INVESTMENT RETURNS
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Copy: SINGLE
Draft Date: 22 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Film Number: D780215-0502
Format: TEL
From: MBABANE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780533/aaaabbyg.tel
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Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f5b98a99-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Reference: 78 STATE A-1699, 77 MBABANE 948
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SAS ID: 2617062
Secure: OPEN
Status: NATIVE
Subject: POLITICAL RISK CONVERTIBILITY INSURANCE
TAGS: EINV, WZ, OPIC
To: STATE
Type: TE
vdkgvkey: odhc://SAS/SAS.dbo.SAS_Docs/f5b98a99-c288-dd11-92da-001cc4696bcc
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